MEMORANDUM OF UNDERSTANDING BETWEEN ENCANA OIL & GAS (USA) INC., EXXON MOBIL CORPORATION, WILLIAMS PRODUCTION RMT COMPANY, XTO ENERGY INC., PIONEER NATURAL RESOURCES USA INC., CHEVRON USA INC., RIATA ENERGY, INC.,

AND

THE U.S. DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FOR THE PURPOSE OF PREPARING AN ENVIRONMENTAL IMPACT STATEMENT TO AMEND THE RESOURCE MANAGEMENT PLAN FOR THE WHITE RIVER FIELD OFFICE OF THE BUREAU OF LAND MANAGEMENT

I. BACKGROUND AND PURPOSE

The U.S. Department of Interior, Bureau of Land Management (BLM) White River Field Office has determined that a Resource Management Plan Amendment and Environmental Impact Statement (EIS) is required in order to analyze impacts associated with the potential expansion of oil and natural gas development within the White River Field Office (WRFO) of the Bureau of Land Management (BLM) located in Meeker, CO. WRFO encompasses 1,455,900 acres of BLM surface Estate and 365,000 acres of split mineral estate. The WRFO is located in northwestern Colorado primarily in Rio Blanco County, with other tracts located in Garfield and Moffatt Counties. This project will be called the White River Field Office (WRFO) Oil and Gas Development EIS and Resource Management Plan Amendment (O&G EIS/RMPA, or EIS). The purpose of this Memorandum of Understanding (MOU) is to establish an understanding between EnCana Oil & Gas (USA) Inc., ExxonMobil Corporation, Williams Production RMT Company, XTO Energy Inc., Pioneer Natural Resources USA Inc., Chevron USA INC., and Riata Energy Inc. (collectively, the COMPANIES and individually, COMPANY) and the BLM regarding the respective funding responsibilities, conditions, and procedures to be followed during the preparation of the Draft and Final EIS and related documents.

II. GENERAL PROVISIONS

BLM and the COMPANIES intend to work together in a professional and productive manner, meeting the letter and intent of NEPA and all other applicable federal and state laws. Both BLM and the COMPANIES are committed to ensure that the integrity of the NEPA process will be maintained. BLM is responsible as the lead agency for assuring compliance with the requirements of NEPA.

Current policies for development and land use decisions within this area are contained in the White River Resource Area Resource Management Plan (RMP) EIS (BLM 1997). The RMP

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states, that "federal oil and gas resources [will be made] available for leasing and development in a manner that provides reasonable protection for other resource values." The EIS may incorporate, by reference, information and analyses, including, but not limited to, those prepared for the 1997 White River RMP/EIS, the EnCana Final Figure Four Natural Gas Project Environmental Assessment, and the Meeker Pipeline and Gas Plant Project Environmental Assessment.

To facilitate timely completion of required environmental documents, the COMPANIES have agreed to contract the EIS preparation with a consulting firm ("CONTRACTOR") approved by BLM, who will, under the direction of the BLM, conduct the environmental analysis and prepare a Draft and a Final EIS at the COMPANIES' expense. The selection of the CONTRACTOR will be based upon its capability and an absence of conflict of interest.

In accordance with 40 C.F.R. § 1506.2(a) and (c), to reduce duplication to the fullest extent possible, other federal, state, and local agencies having jurisdiction by law or special expertise will be informed and invited to provide input and cooperate with the BLM during the preparation of the Draft and Final EIS.

III. NEPA COMPLIANCE

The EIS will be prepared in accordance with the National Environmental Policy Act of 1969, as amended, (NEPA; 42 USCA §§ 4321 – 4370c) and in compliance with all applicable regulations and laws passed subsequently, including Council on Environmental Quality (CEQ) regulations 40 Code of Federal Regulations (C.F.R.) §§ 1500-1508, USDI requirements, (Department Manual 516, Environmental Quality (USDI 2004)), BLM guidelines, (Handbook H-1790-1 BLM 1988a), Guidelines for Assessing and Documenting Cumulative Impacts (BLM 1994a) and Considering Cumulative Effects under the National Environmental Policy Act (CEQ 1997) and (Handbook H-1624-1) BLM Land Use Planning, Planning for Fluid Minerals. As the lead agency, BLM is responsible for analyses and documents that conform to the NEPA, CEQ regulations, and other pertinent federal laws and regulations. The COMPANIES and the CONTRACTOR agree to produce analyses and documentation that meets BLM standards.

The EIS will assess the environmental impacts of the Proposed Action and a range of reasonable alternatives, and will serve to inform the decision-making process. Project components that must be analyzed in the EIS shall include, but not be limited to, the following:

1. The Proposed Action—to amend the RMP to accommodate future oil and gas development including the drilling, completing, and operating of additional wells and development of necessary ancillary facilities within the WRFO planning area. Description of the proposed exploration and development will be extracted from the Reasonable Foreseeable Development (RFD) scenario described in Section V.A.13 of this MOU;

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- 2. No Action Alternative—BLM would not amend the 1997 WRFO RMP and oil and gas development would proceed as described and authorized in the 1997 WRFO RMP and any subsequent programmatic or project level decisions authorizing oil and gas operations;
- 3. A reasonable range of alternatives;
- 4. General levels of development associated with increased oil and gas development that could include access roads, oil, natural gas, and water well sizes, compressor and/or facility sites, gathering systems to transport the oil and/or gas from the wellhead to a central metering point or main pipeline, replacement/expansion of an existing buried transportation pipeline, produced water disposal wells, and installation of a corrosion inhibitor system;
- 5. Transportation planning, including an evaluation of existing roads, development of transportation corridors for roads and pipelines, development of road standards, upgrading of existing roads, and compliance monitoring;
- 6. Socio-economic consideration, including manpower requirements for construction, drilling, completion, production operations, and the associated increase in activity/pace of development;
- 7. Drilling operations, including time and personnel required to drill and complete a well, housing of drilling personnel;
- 8. Abandonment and reclamation;
- 9. Review of RFD(s) prepared for adjacent areas to consider, and avoid unreasonable "border" conflicts and for cumulative and regional impact analysis, as needed; and
- 10. Monitoring of construction and reclamation practices, impacts to wildlife, and compliance with other NEPA requirements.

The BLM and the COMPANIES understand and agree that the EIS will analyze the cumulative impacts (see 40 C.F.R. § 1508.7 and Considering Cumulative Effects under the National Environmental Policy Act [CEQ 1997]) of existing and reasonably foreseeable development within the WRFO (see 40 C.F.R. § 1502.15) including, but not limited to, oil and gas development and operation, oil shale RD&D lease nominations, oil shale programmatic EIS, as well as the Roan Plateau and Glenwood Springs/Kremmling RMP revisions.

IV. AUTHORITIES

This MOU is entered into under the following authorities:

- A. The National Environmental Policy Act of 1969, as amended (Pub. L. No. 91-190, 42 U.S.C. §§ 4312-4370c);
- B. The Federal Land Policy and Management Act of 1976 (Pub. L. No. 94-579, 43 U.S.C. §§ 1701-1784); and
- C. The Mineral Leasing Act of 1920 (30 U.S.C. §§ 181-263).

V. RIGHTS AND RESPONSIBILITIES

A. BLM's Rights and Responsibilities

- 1. The BLM will be the lead Federal agency in the preparation of the EIS and is responsible for compliance with the requirements of NEPA, CEQ regulations, and other pertinent federal laws and regulations.
- 2. The BLM will develop comprehensive Statement of Work detailing BLM requirements for the EIS preparation and completion.
- 3. The White River Field Office's (WRFO) Field Manager (hereinafter referred to as the Field Manager) will approve and oversee the CONTRACTOR, paid for by the COMPANIES, to prepare the EIS in accordance with accepted third party contracting procedures. See 40 C.F.R. § 1506.5(c). To ensure the objectivity of the CONTRACTOR, all communications between the CONTRACTOR and the COMPANIES, with the exception of specific budget documents, shall occur through BLM. The COMPANIES will provide BLM with all the information needed by the CONTRACTOR for the preparation of the third party EIS (as described in Sections V.B.6. and V.B.7. of this MOU). The CONTRACTOR will submit all requests for specific information needed for the EIS through BLM. Any and all work performed by the CONTRACTOR will be submitted directly to BLM, and in no case will the COMPANIES review, modify, or edit the CONTRACTOR'S work prior to its submission to BLM. The Field Manager will initially designate Jane Peterson, Planning Coordinator, as the primary point of contact for BLM on all matters related to the preparation of the EIS by the CONTRACTOR.
- 4. It is the intent of BLM to keep the COMPANIES informed and engaged throughout the preparation of the EIS. To this end, BLM expects that the COMPANIES will be present at public meetings and any document and/or information available to the public will be submitted to the COMPANIES by the BLM no later than the date it is made available to the public pursuant to the schedule attached as Exhibit 1 to this

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- MOU. BLM and the COMPANIES recognize that they have different responsibilities and authorities, and consequently, there are work items that are, or may be, necessarily closed to one or the other party to this MOU. BLM will assure that the COMPANIES are kept informed of issues, pending meetings, and outcomes of any meetings held so that the COMPANIES can ensure that technical information is accurate and complete.
- 5. The COMPANIES will be invited by BLM, in consultation with the cooperating agencies, to participate with the agencies and CONTRACTOR in meetings, discussions, and exchanges of information as necessary for the development of the EIS. Generally, the CONTRACTOR will only be present at meetings, workshops, etc. that are attended by BLM. However, with prior approval from the BLM, the CONTRACTOR may meet with other agencies in the absence of the BLM when the topic to be addressed falls within the purview of an agency that will be present. See BLM Washington Office Instruction Memorandum 2006-011 (October 17, 2005). With the BLM's approval and in consultation with the BLM, the COMPANIES may host "workshop" style meetings on specific topics for agency representatives and interested public. The information discussed at these workshops will be documented in the minutes of the meeting by the CONTRACTOR and distributed by the BLM as appropriate. In no case will the COMPANIES review, modify, or edit the CONTRACTOR's work prior to its submission to BLM.
- 6. The contract between COMPANIES and CONTRACTOR will require timely completion of all work activities pursuant to the schedule attached as Exhibit 1 to this MOU. If at any time, CONTRACTOR or BLM becomes aware of circumstances that will result in a delay in reaching any milestones and/or key dates on said schedule, BLM and CONTRACTOR shall immediately notify COMPANIES in writing. COMPANIES shall have the right, but not the obligation, to take whatever steps are necessary to remedy such situation, including but not limited to, requesting oversight by the WRFO Field Manager, first and then, if necessary, BLM State Director, of EIS work activities and processes, and/or recommending a change in CONTRACTOR.
- 7. The BLM will provide oversight of the EIS preparation process to verify that the CONTRACTOR considers existing data, environmental descriptions, and analysis available from the COMPANIES, BLM, and other sources, and that the CONTRACTOR does not duplicate work already completed unless BLM determines that the existing work is not adequate for the purposes of the EIS. BLM and the CONTRACTOR will jointly assess whether existing work must be modified or redone and consult with COMPANIES about their assessment of the adequacy of prior work. The BLM requires that the CONTRACTOR provide adequate copies of all maps, reports, and draft documents to each COMPANY on the key contact list to allow for a timely review at the appropriate stage. In no case will the COMPANIES review, modify, or edit the CONTRACTOR'S work prior to its submission to BLM.

- 8. When requested to do so by a COMPANY or the COMPANIES, BLM will treat specific data provided by a COMPANY or the COMPANIES as confidential and proprietary to the extent permitted by law. This responsibility extends to both internal to the BLM and CONTRACTOR use of the information. In the event that any confidential or proprietary information is required by law to be released by BLM, the COMPANY or COMPANIES shall be provided written notice of any such proposed release at least thirty (30) days in advance of such release.
- 9. The BLM is responsible for complying with NEPA procedures and implementing regulations including, but not limited to, document contents, administrative record (including documentation of rationale and supporting information), public review of the EIS, and required decision documentation. BLM shall ensure that the EIS presents a reasonable range of alternatives and includes relevant environmental/social/economic issues and impacts, including cumulative impacts. The BLM will provide a mailing list to the CONTRACTOR for distribution of the EIS to the public.
- 10. BLM will be responsible for determining frequency, location, format and content of public scoping meetings. The CONTRACTOR, at BLM's direction, will be responsible for administrative support and logistical arrangements for these public scoping meetings, if any. BLM will receive public scoping comments and direct the CONTRACTOR'S actions with regard to the received comments. The CONTRACTOR shall provide all needed administrative support to BLM for scoping comment content analysis, in consultation with BLM, and provide a scoping report to BLM, who will transmit the report to COMPANIES at the appropriate time.
- 11. Upon completion of the Draft and Final EIS for public release and comment, BLM will be responsible for compliance with public notification requirements, including publication of *Federal Register* notices and managing public meetings, if any. BLM will be responsible for determining frequency, location, format, and content of public meetings, if any. The CONTRACTOR, at BLM's direction, will be responsible for administrative support and logistical arrangements for these public meetings. BLM is responsible for developing responses to comments and will direct the CONTRACTOR'S actions with regard to the received comments. The CONTRACTOR shall provide all needed administrative support to BLM for comment content analysis, in consultation with BLM.
- 12. The BLM is responsible for all costs associated with the preparation, reproduction, and distribution of the Preparation Plan and Record of Decision.
- 13. The BLM will solicit estimates of RFD in the WRFO resource area over the next 20 years from COMPANIES and others. BLM, with CONTRACTOR, may consult with COMPANIES to request additional information including, but not limited to, the ratio of single-well pads to multiple-well pads, estimate the amount of disturbed and

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reclaimed acreage associated with the RFD, and determine potential best management practices that may be employed to reduce potential adverse effects. The BLM will independently review and evaluate any information received from the COMPANIES. See 40 C.F.R. § 1506.5. The BLM will direct how the CONTRACTOR will consider existing data, environmental descriptions and analyses available from all sources including the BLM.

B. COMPANIES' Rights and Responsibilities

- 1. The COMPANIES will appoint a primary contact person to serve as contact for the BLM on all general matters relating to the preparation of the EIS. Each COMPANY will also appoint a primary contact person for the BLM to communicate regarding matters specific to individual companies.
- 2. The COMPANIES will be responsible for developing and executing a contract with the CONTRACTOR. Except as provided in Section V.A.12 of this MOU, the COMPANIES will be responsible for all costs and any continuing costs incurred by CONTRACTOR until terminated by the COMPANIES.
- 3. The COMPANIES will ensure that the CONTRACTOR signs a Disclosure Statement as required by 40 C.F.R. § 1506.5, stating that the CONTRACTOR does not have any interest, financial or otherwise, in the outcome of the project prior to awarding the contract. A copy of the signed statement must be provided to BLM.
- 4. The CONTRACTOR (at COMPANIES' expense) will be responsible for providing an electronic copy of the Draft and Final EIS documents in Microsoft Word on a medium acceptable to the BLM. The COMPANIES and CONTRACTOR will assist the BLM in fulfilling its responsibilities for compliance with the requirements of NEPA, CEQ regulations, and other pertinent federal laws and regulations.
- 5. The COMPANIES and others shall provide to the BLM a description of exploration and development plans in the WRFO to be included in the analyses, pursuant to BLM's request for RFD plans (as described in Section V.A.13 of this MOU). The COMPANIES shall provide the CONTRACTOR with any MOUs or agreements pertinent to the preparation of the EIS.
- 6. The COMPANIES will provide the BLM, as specified by the Field Manager, any necessary or relevant technical and environmental information they may have which is needed, to the extent such information is not restricted by confidentiality agreements and which is, at the BLM's discretion, for environmental analysis and documentation. The COMPANIES will ensure, through the Statement of Work developed for this EIS, that the CONTRACTOR provides BLM with all documentation, including, but not limited to, IDT and CONTRACTOR EIS team meeting notes, e-mail messages, analysis protocols and data, rationale, maps, GIS

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data and its FGDC-compliant metadata, and any other supporting information used in the preparation of the EIS. Such information is part of the administrative record for this project and the EIS. All said documentation comprising the administrative record will be provided to the BLM in electronic form. The administrative record for the EIS will be maintained at the BLM White River Field Office, but COMPANIES and CONTRACTOR share responsibility with BLM for ensuring that record is complete and accurate.

- 7. The COMPANIES will review the technical, environmental, and socio-economic information in their possession, and to the extent that such information is not restricted by confidentiality agreements, the COMPANIES will provide BLM with such information that they believe is necessary for review or input into the analysis or other parts of the EIS document. BLM will provide this information to the CONTRACTOR.
- 8. The COMPANIES will provide, directly to BLM, responses to data requested and provide review comments within the time limits established by BLM to the extent reasonably possible (or the schedule will be adjusted accordingly). BLM is responsible for providing this information to the CONTRACTOR as soon as practicable (generally defined as 5 working days).
- 9. The COMPANIES will attend meetings and participate in the preparation of appropriate mitigation measures as requested by BLM. The CONTRACTOR EIS team or specific members thereof, will attend BLM IDT meetings as requested or deemed useful by BLM.
- 10. The COMPANIES will specify in the contract with the CONTRACTOR that the CONTRACTOR shall be responsible for supporting, as necessary, BLM requests for input, for responding to public comments arising from the Draft and Final EISs, and for providing other information and materials (e.g., mapping, public meeting materials, etc.) as deemed necessary by the BLM during document preparation of the Draft and Final EIS, and as necessary during preparation of the Record of Decision.
- 11. Except for preparation of those documents described in Section V.A.12 of this MOU, the CONTRACTOR (at COMPANIES' expense) will be responsible for stenographic, clerical, graphics, and layout services; printing to established BLM standards; and all costs for analysis, internal review drafts, public process support and materials, and final copies of the Draft and Final documents prepared by the CONTRACTOR. Foldout sheets and large maps shall be provided when requested by BLM or COMPANIES. The COMPANIES shall be solely responsible for the cost of preparing and providing the number of copies of the Draft and Final EIS (full document or executive summaries) as may be necessary for public review and for the cost of distributing as directed by the BLM.

C. JOINT Responsibilities

- 1. The BLM, in cooperation with the COMPANIES and the CONTRACTOR, will develop a Proposed EIS Preparation Schedule that projects key dates and/or milestones including those identified in a Public Participation Plan. The Proposed Schedule, current as of the signing of this MOU, is attached as Exhibit 1. Changes to the Schedule will require advance coordination by the BLM, the COMPANIES, and the CONTRACTOR. Should a party not be able to meet a key date or milestone requirement, advance notification shall be given in writing to the other parties to this MOU. The notification shall include a projected date the requirement will be met. All parties will use best efforts to adhere to, and assist each other in adhering to, the Proposed EIS Preparation Schedule.
- 2. The BLM, in cooperation with the COMPANIES and the CONTRACTOR, will develop a Public Participation Plan that describes public outreach procedures to be used at key dates and/or milestones in the preparation of the EIS.

VI. ADMINISTRATIVE AND LEGAL PROVISIONS

A. Applicable Law.

The parties agree to comply with all applicable laws governing activities under this MOU.

B. Term of MOU

This MOU will commence upon the day and date last signed and executed by the duly authorized representatives of the parties to this MOU, and will remain in full force and effect until terminated in accordance with provisions listed below in Section VI.D. of this MOU (Termination) or until a Record of Decision on the White River Field Office Oil and Gas Development EIS is issued by the BLM, whichever occurs first.

C. Amendments

Either the COMPANIES or BLM may request changes in this MOU. Any changes, modifications, revisions, or amendments to this MOU, which are mutually agreed upon by and between the parties to this MOU, will be incorporated by written instrument, executed and signed by all parties to this MOU, and will be effective in accordance with the terms of paragraph B above.

D. Termination

1. Either the COMPANIES or BLM may terminate this MOU after thirty (30) days' written notice to the other party of their intention to do so. During this period, the parties will enter negotiations to resolve the disagreement(s). If the disagreement(s)

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have not been resolved by the end of the thirty-day period, the MOU will terminate. In the event negotiations are progressing but are not concluded by the end of the thirty-day period, the party initiating the termination notice may request that termination be postponed for an additional thirty-day period.

2. In the event of termination of this MOU, and if requested by the COMPANIES to do so, the BLM will initiate preparation of any remaining analysis and documentation covered by this MOU consistent with staff and budget limitations. The COMPANIES will be required to submit to the BLM all information and records held by the COMPANIES and the CONTRACTOR that were used for EIS preparation up to the point of MOU termination, as well as all information and records held by the COMPANIES and the CONTRACTOR needed to support continued preparation of the EIS.

E. Limitations

In executing this MOU and taking any other action contemplated hereby, the COMPANIES are not waiving any administrative or judicial right they may otherwise have, including, but not limited to, reserving the right to contest, in any administrative or judicial proceedings, any and all decisions concerning issues in the EIS or any other federal requirements related to the proposed project. The COMPANIES recognize that nothing in this MOU commits BLM to take action favorable to the COMPANIES upon all or any part of the proposed amendment.

F. Entirety of Agreement

This MOU and attachments represents the entire and integrated agreement between the parties and supercedes all prior negotiations, representations, and agreements concerning the EIS, whether written or oral.

G. Severability

Should any portion of this MOU be determined to be illegal or unenforceable, the remainder of the MOU shall continue in full force and effect, and either party may renegotiate the terms affected by the severance.

H. Exchange of Information

Data provided pursuant to this MOU may contain proprietary and/or pre-decisional BLM or COMPANIES' information. All records or information requested of either party by the other will be reviewed by the releasing party prior to release. To the extent permissible under law, any recipient of proprietary and/or pre-decisional information agrees not to disclose this information to the public or other parties. To the extent permissible by law, any recipient of this information agrees not to transmit or otherwise divulge this information without prior

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approval from BLM or the COMPANIES. Any breach of this provision may result in termination of this MOU. Requests for information will be made through the points of contact identified in VII, CONTACTS, below.

I. Third Party Beneficiary Rights

The parties do not intend to create in any other individual or entity the status of third party beneficiary, and this MOU shall not be construed so as to create such status. The rights, duties, and obligations contained in this MOU shall operate only between the parties to this MOU, and shall inure solely to the benefit of the parties to this MOU. The provisions of this MOU are intended only to assist the parties in determining and performing their obligations under this MOU. The parties to this MOU intend and expressly agree that only parties signatory to this MOU shall have any legal or equitable right to seek to enforce this MOU, to seek any remedy arising out of a party's performance or failure to perform any term or condition of this MOU, or to bring an action for the breach of this MOU.

J. Administrative Considerations

- 1. In carrying out the terms of this MOU, there shall be no discrimination against any person because of race, creed, color, sex, or national origin.
- 2. The terms of this MOU are effective only to the extent BLM is authorized to take actions, and to the extent funds are appropriated or otherwise made available.
- 3. All documents released to the public must reflect the independent judgment of BLM. BLM is responsible for the adequacy and objectivity of all such documents. The COMPANIES and CONTRACTOR will provide BLM with the necessary support to meet that responsibility.
- 4. This MOU may be executed in multiple counterparts, all of which are identical, and each of which should be deemed an original and all of which shall constitute one and the same instrument.
- 5. In the case that conflicts are found between this MOU and the Statement of Work and/or contract between COMPANIES and CONTRACTOR, this MOU shall have precedence.
- 6. This MOU shall be interpreted in accordance with federal law.

K. Dispute Resolution

In the event of any disagreement between WRFO and COMPANIES regarding the scope of work, schedule, performance of CONTRACTOR, data requests, etc. that cannot be resolved between the parties in a reasonable time, either party may refer the disagreement to the BLM

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State Director or his/her designee to timely resolve said issue. The decision of the State Director shall be the final decision.

VII. CONTACTS: The primary points of contact for carrying out the provisions of this MOU are:

COMPANIES:

Primary Contact Person:

Peter Loeffler

EnCana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700

Denver, CO 80202 Tel. 720-876-5025 Fax. 720-876-6025

For EnCana Oil & Gas (USA) Inc.:

Peter Loeffler

370 17th Street, Suite 1700

Denver, CO 80202 Tel. 720-876-5025 Fax. 720-876-6025

For Exxon Mobil Corporation:

Fernando Blackgoat

800 Bell Street, Room 4111

Houston, TX 77002 Tel. 713-431-2098 Fax. 713-656-9430

For Williams Production RMT Co.:

Mike Gardner

1515 Arapahoe Street, Suite 1000

Denver, CO 80202 Tel. 970-263-2714 Fax. 303-629-8255

For XTO Energy Inc.:

Brenda Waller

2700 Farmington Ave., Building K, Suite 1 Farmington, NM 87401

Tel. 505-566-7923 Fax. 505-564-6700 For Pioneer Natural Resources USA Inc.:

David Holland

1401 17th Street, Suite 1200

Denver, CO 80202 Tel. 303-675-2624 Fax. 303-294-1275

For Chevron USA Inc.:

John Lohner

Cordilleran Compliance Services

5550 Marshall Street Arvada, CO 80002 Tel. 303-237-2072 Fax. 303-237-2659

For Riata Energy, Inc.

Matt Strickler P.O. Box 10209 Armarillo, TX 79116 Tel. 806-376-7904 x118 Fax. 806-376-9110

BLM:

Jane Peterson

Grand Junction Field Office

2815 H Road

Grand Junction, CO 81506

Tel. 970-244-3027 Fax. 970-244-3083

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Jay Still	
Executive Vice President, Western Division	
Pioneer Natural Resources USA, Inc.	
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Field Manager	
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EXHIBIT 1 PROPOSED EIS PREPARATON SCHEDULE

Гаѕkѕ	Target Dates
Finalize MOU	March 17, 2006
Finalize Statement of Work	March 28, 2006
Select Contractor	April 21, 2006
Contractor /BLM Kick-off Meeting	NLT May 2, 2006
Federal Register Notice of Intent to BLM WO	March 22, 2006
Federal Register Notice Published; public scoping begins	April 17 – June 1, 2006
Scoping Notice sent to public	NLT April 21,2006
Public Scoping Meeting	May 7-12, 2006
Public Scoping Period ends	June 1, 2006
Meetings between BLM, Contractor to determine alternatives and cumulative mpact analysis area based upon public input	August/September 2006
Air Quality Modeling Protocol finalized	October 31, 2006
Air Quality Emission Inventory Complete	November 30, 2006
Air Quality Dispersion Modeling	December 2006-March 2007
Description of Proposed Action, Alternatives, Affected Environment finalized	Early December 2006
Preliminary Draft EIS (PDEIS) and Technical Support Document (TSD) to BLM and cooperators for review	Early April 2007
BLM and cooperator PDEIS/TSD comments to Contractor, IDT meeting to select/develop preferred alternative	Late April 2007
Final review for print copy of DEIS/TSD	June 2007
Publication of DEIS (Air Quality impacts included). BLM's Notice of Availability (NOA) in <i>Federal Register</i> . Publication of Environmental Protection Agency's NOA in the <i>Federal</i> Register starts the 90-day public eview/comment period	July 2007
Hold public meetings	August/September 2007
DEIS Public comment period ends, all comments to Contractor; Contractor inalyzes comments, summary report to BLM, preparation of Preliminary Final (PFEIS)	Late October 2007
PFEIS to BLM and cooperators for review	November 2007
BLM and cooperator PFEIS comments back to Contractor	December 2007
inal review for print copy FEIS	Late December 2007
Publication of FEIS. BLM's NOA in <i>Federal</i> Register. 60-day Governor's Consistency Review Period begins. 30 day Protest Period begins	January 2008
Protest Period ends. Governor's Consistency Review ends	March 2008
Protest Response	TBD - if protested
	March 2008 – if not protested

EXHIBIT 2 PUBLIC PARTICIPATION PLAN

AGENCY AND INITIAL PUBLIC SCOPING

The U.S. Department of Interior, Bureau of Land Management (BLM) has determined that a Resource Management Plan Amendment and Environmental Impact Statement (EIS) is required in order to expand oil and natural gas development within the White River Field Office (WRFO) of the Bureau of Land Management (BLM) located in Meeker, CO. A Notice of Intent to prepare an environmental impact statement will be published in the Federal Register on or near April 14, 2006. Further public notice via scoping letters are to be issued by BLM by April 21, 2006 to appropriate local, state, and federal agencies, elected officials, public land users and user groups, affected landowners, and news outlets including newspapers and radio and television stations. The scoping notices will describe the BLM's proposal to amend the WRFO RMP, the relationship of the proposed amendment to the existing land use plan and other environmental documents, described proposed compliance with the National Environmental Policy Act, disclosed land and resource management issues and concerns, and solicited comments from the public. In addition, the scoping notice will announce the time and place of a public scoping meeting which is tentatively scheduled for May 7-12, 2006, to provide another opportunity for the general public, affected interests, and stakeholders to review the BLM's proposal to amend the WRFO RMP and provide input to BLM regarding concerns, issues to be addressed, etc.

DEVELOPMENT OF ALTERNATIVES AND CUMULATIVE IMPACT ANALYSIS AREAS

The proposed amendment to the WRFO RMP, the No Action alternative, and a reasonable range of alternatives will be generated by the BLM, based on information provided by the COMPANIES and others, on affected environment resource data, on public and agency impact concerns and issues, and on appropriate/desirable alternative development methodologies. Cumulative impact analysis areas and associated impact level definition criteria also will be developed based on the aforementioned plans, data, concerns, inputs, and methodologies. Input from BLM specialists, cooperating and other government agencies, the public, and the COMPANIES and others will be used for alternative and cumulative impact assessment area development, as appropriate.

DRAFT EIS

Development of the Preliminary DEIS (PDEIS) will incorporate input from BLM specialists and, where reasonable, input from cooperating and other government agencies, the public, and the COMPANIES. Distribution of the DEIS will provide the public with an opportunity to review and comment on the document. Public meeting(s) may be held to provide opportunities for the public to gather additional or clarifying information prior to making their comments.

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FINAL EIS

Development of the FEIS will incorporate comments on the DEIS and other input from BLM specialists and, where appropriate, from cooperating and other government agencies, the public, and the COMPANIES. Distribution of the FEIS may provide the public with an opportunity to review and comment on that document.

MEDIA

The news media will be provided news releases at each stage of the NEPA process (i.e., public scoping, issuance of DEIS, FEIS, and ROD). In addition, they will be advised of any public meetings. All news releases will be coordinated through the BLM Glenwood Springs Public Affairs Specialist or Colorado State Office Public Affairs Officer.